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East Asia: Growing Source of Military Equipment for the Third World

A Research Paper

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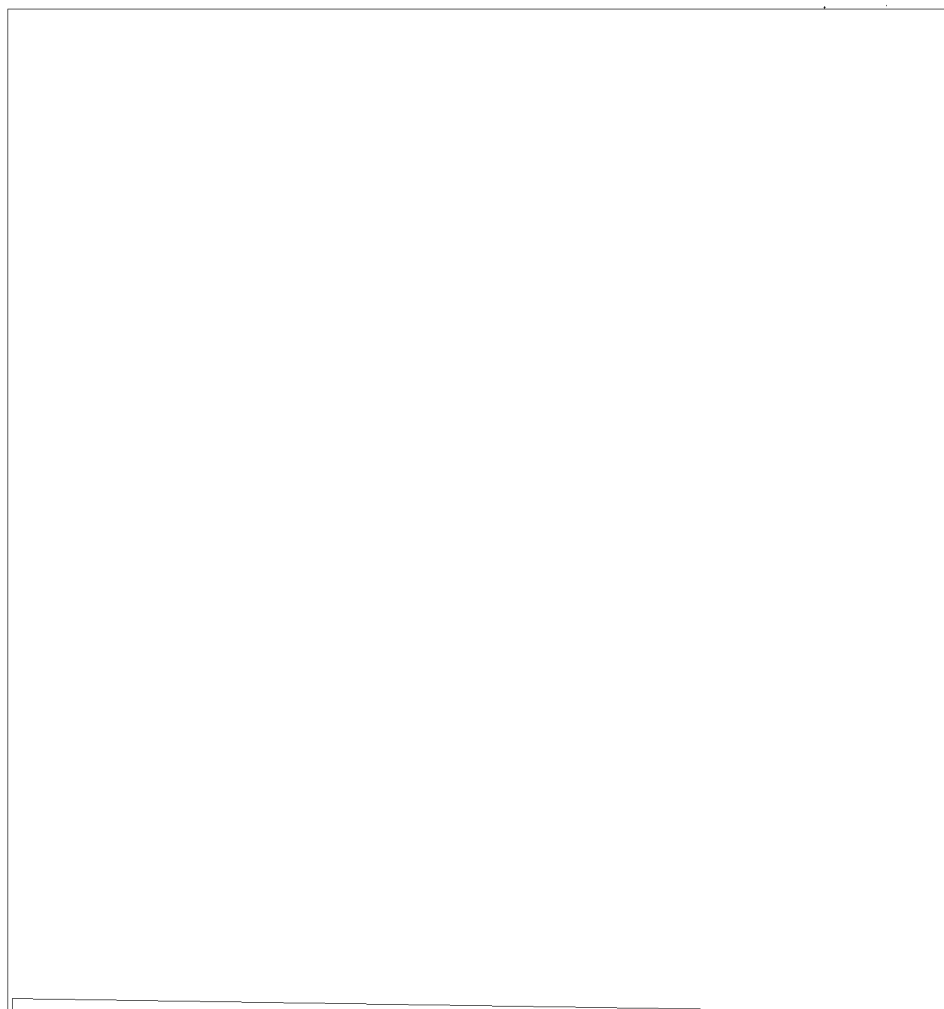
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**East Asia: Growing Source
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for the Third World**

Summary

*Information available
as of 1 July 1987
was used in this report.*

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[redacted] the United States is
expending considerable diplomatic effort in an attempt to stop China and
other East Asian countries from selling military goods to Iran and Iraq.
Chinese deliveries of Silkworm antiship missiles are particularly trouble-
some. [redacted]

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Scope Note

This is the second in a series of assessments and research papers that address regional security-related issues in East Asia that are of current concern to US policymakers.

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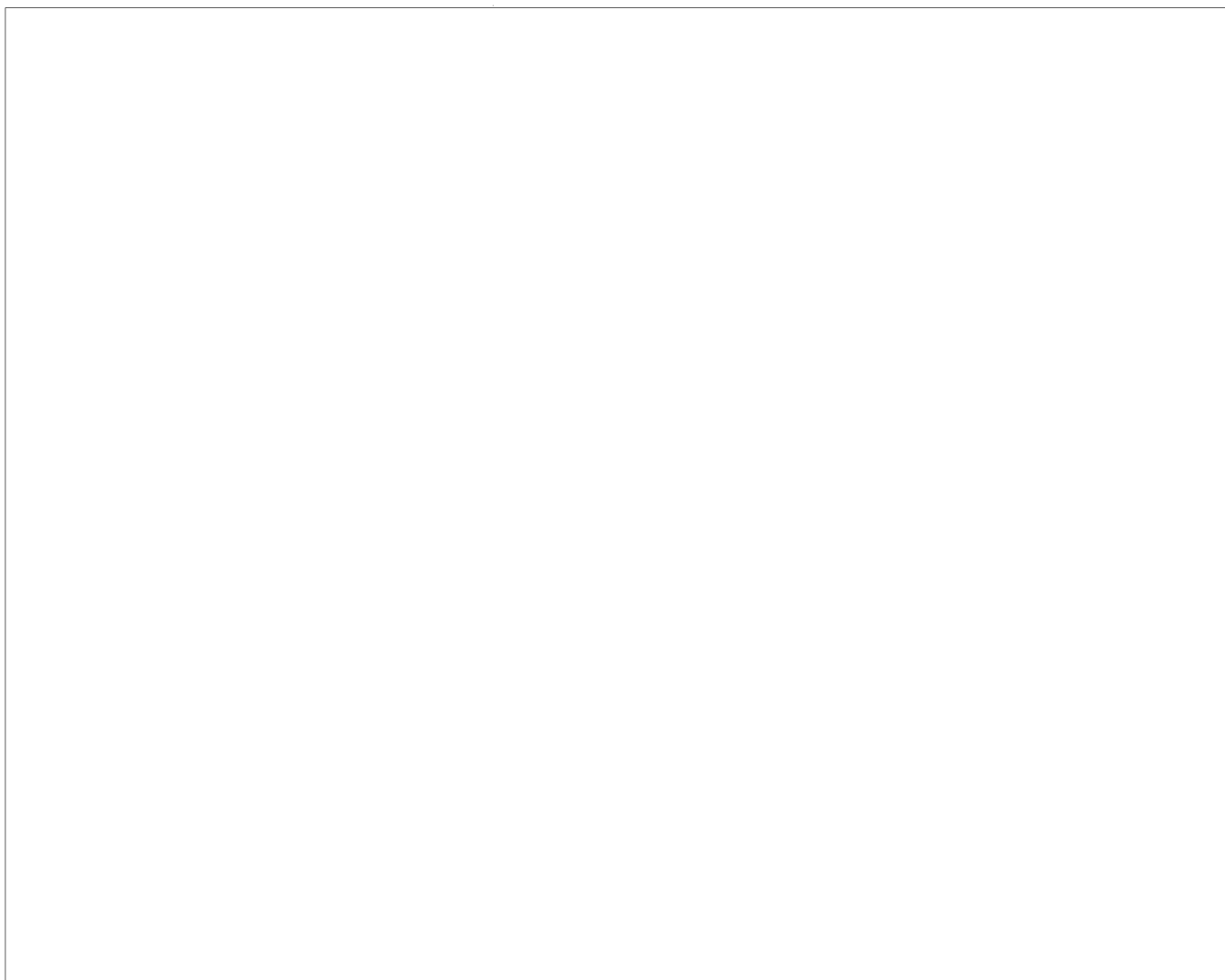
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New Arms Merchants

East Asia has become an important source of weapons, munitions, military equipment, and technical services for Third World countries. Although the 1980s was not a propitious time to enter the arms-exporting business, East Asia's defense industries have increased their share of the shrinking market while the Soviet Union and major West European suppliers have faced decreases.

largely outdated weapons were no longer needed by forces beginning the transition to a modern army, saw arms exports as an expedient to military modernization. China's planners realized that their defense industries could earn substantial hard currency by producing and exporting weapons.

Major Military Suppliers

China

China is East Asia's largest arms exporter.

A relative newcomer to the arms business, its decision in 1980 to sell arms for profit apparently stemmed from a strong desire to increase its foreign exchange holdings and meet military needs for defense modernization at a time of economic retrenchment. Chinese leaders, concerned about the economic as well as the political consequences of closing down defense plants whose

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Despite its public disclaimers, China has sold large quantities of military goods to Iran [redacted]

[redacted] From 1981 to 1984, China sold small amounts of weapons and munitions to Iran [redacted]

By 1985, however, the Chinese apparently had decided that Iran had become a lucrative enough market to warrant direct shipments, even though they knew that Iraq and the United States would be critical. [redacted]

On the basis of a variety of

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East Asia's Military Sales to Iran and Iraq

East Asian materiel contributes substantially to sustaining the Iran-Iraq conflict. Since 1980, we estimate East Asia has sold almost [] in

military goods/services to the belligerents—Iran has bought []

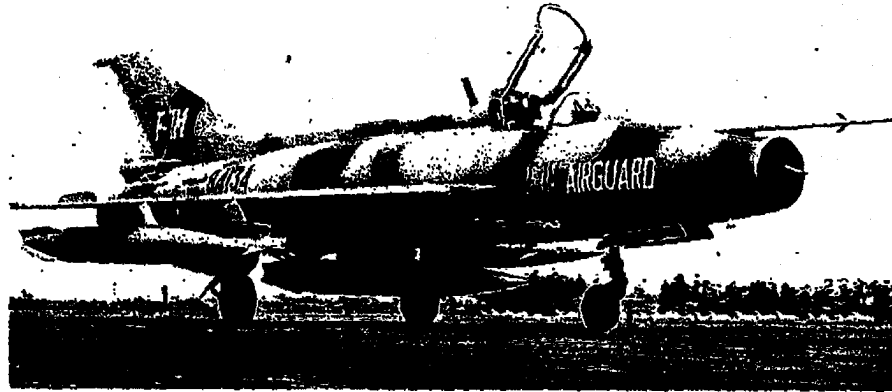
Iran

North Korea and China are the two largest suppliers with over [] in sales each.

- *China, now Iran's largest supplier, sold [] in the past year. Sales include tanks, armored vehicles, artillery, air defense and antiship missiles, small arms, and munitions. Chinese Silkworm anti-ship missiles currently threaten merchant shipping near the Strait of Hormuz; CSA-1 surface-to-air missiles defend Tehran; and F-7 fighters/other aircraft may soon be delivered.*

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Figure 4. Chinese F-7M Airguard fighter armed with air-to-air missiles [redacted]



reports, we estimate China has sold Iran more than [redacted] in weapons in the past year, including antiship and antiaircraft missiles, artillery, small arms, and large quantities of munitions. China has begun training Iranian pilots, and we believe China may have sold F-7 ' fighters to Iran. [redacted]

The Chinese have gone to great lengths to satisfy both Iraqis and Iranians. They have provided weapons training in China, modified military equipment to satisfy customer specifications, and provided follow-up technical assistance to resolve operational and maintenance problems with their equipment. China's responsiveness has paid handsome dividends. [redacted]

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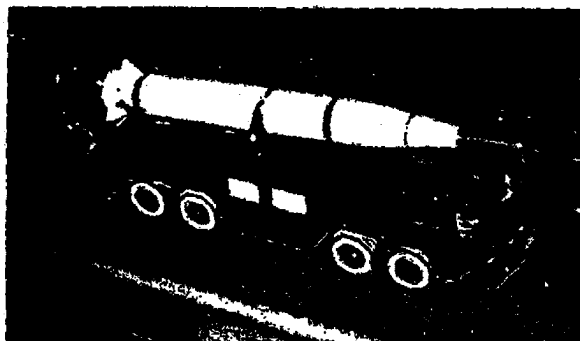


Figure 6. China's M-9 short-range ballistic missile displayed at Asiandex-86

would appear to be attractive to other Third World countries seeking a standoff capability for delivering conventional or chemical weapons.

- Introduced a mobile, short-range ballistic missile (SRBM) called the M-9.

Chinese officials claim the M-9 SRBM with a conventional warhead will not be ready for export until 1988, but China could offer it to Iran and Iraq for delivery later this year. As a replacement for the older, shorter range Scud system, the Chinese SRBMs

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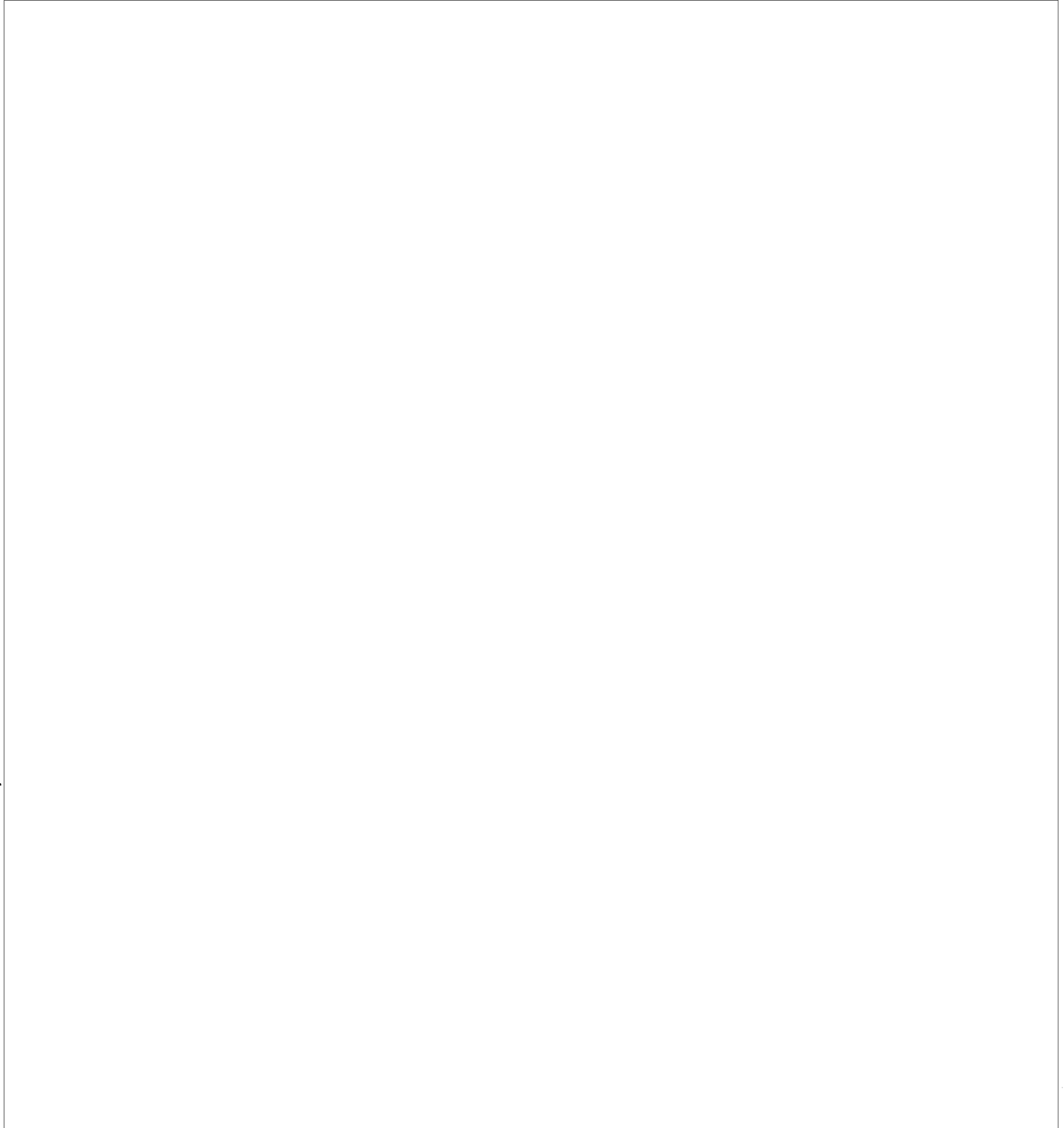
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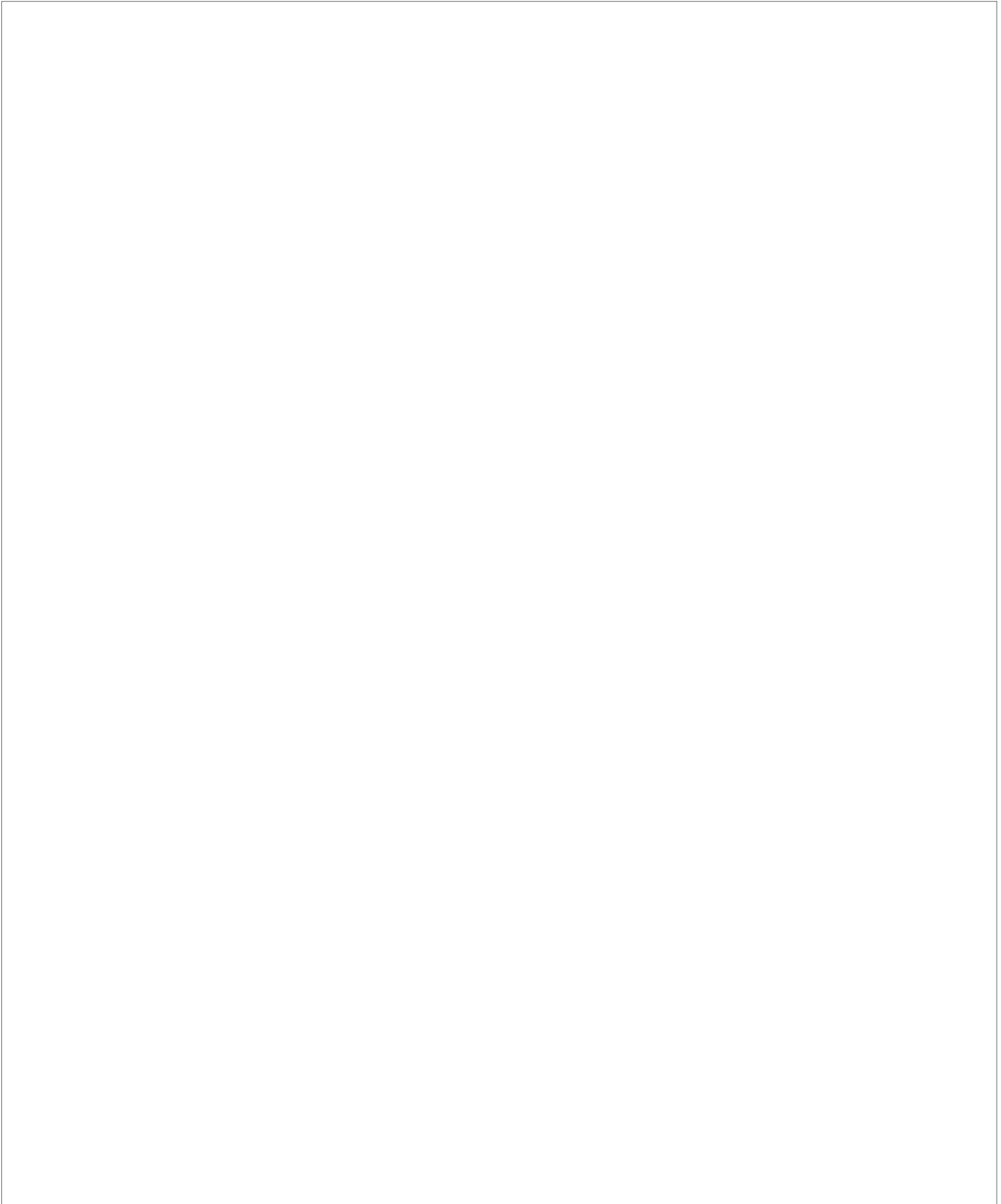


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to Iran but have been unsuccessful in stopping them.

China's delivery of Sirkorm antisub missiles has been especially troublesome, however, because the missiles enable Iran to threaten shipping in the Persian Gulf and could be used to attack US naval ships protecting friendly merchant ships that are transiting the area. Demarches to China from the United States and other countries have occasionally caused the Chinese to restrict or temporarily halt arms shipments

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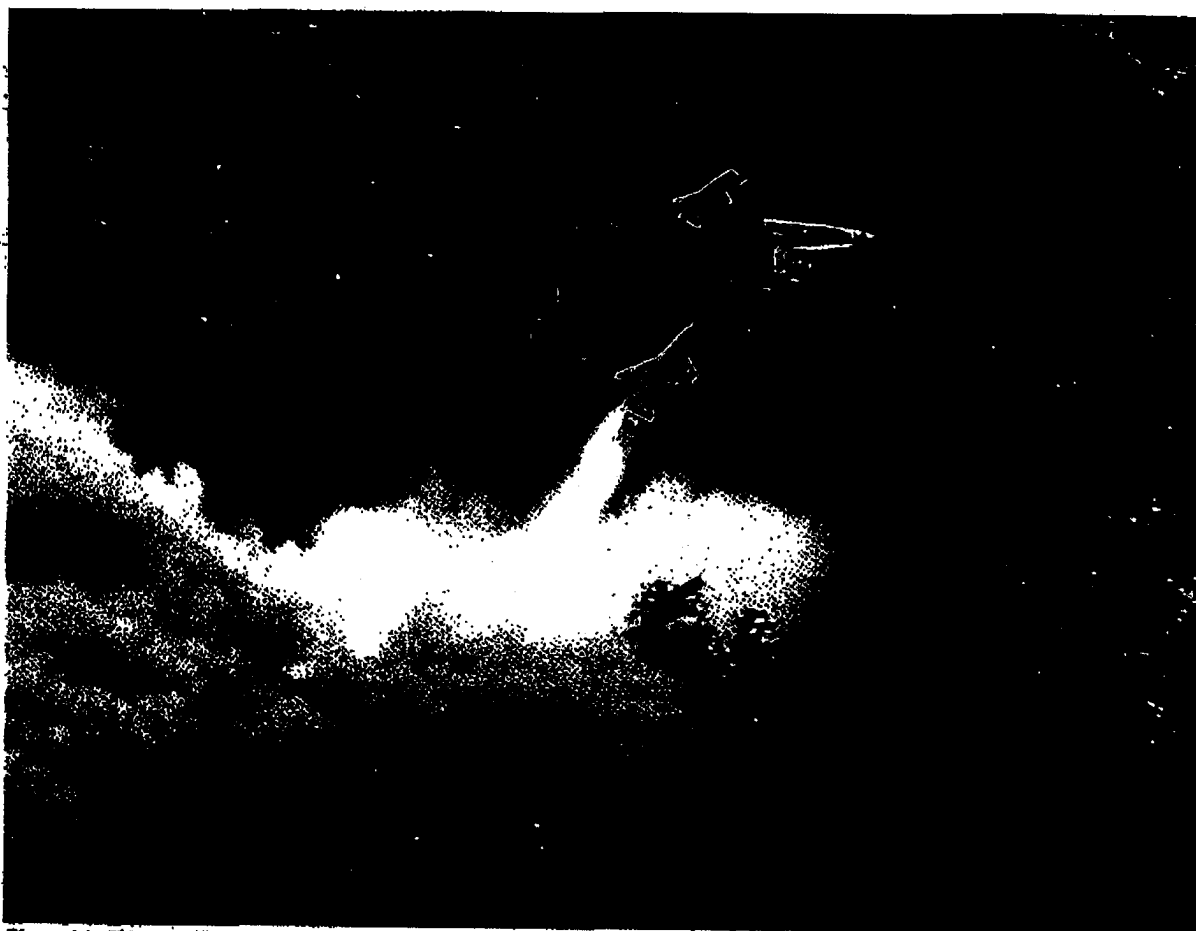
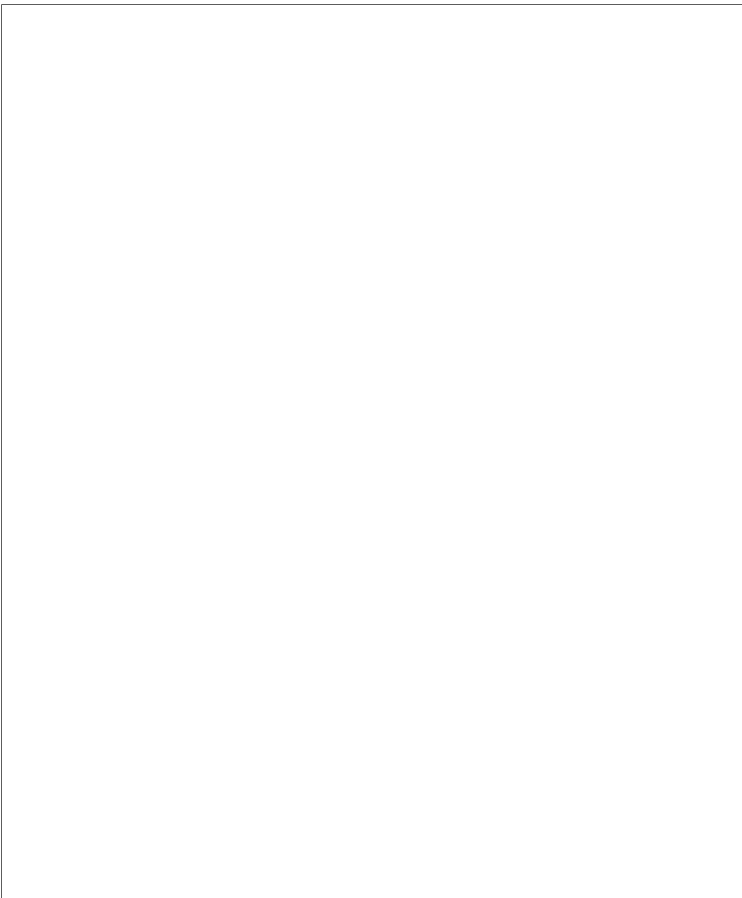


Figure 14. Chinese Silkworm missile being launched



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